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**ARMY, DOS, JCS, NAVY and USAF review(s) completed.**

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**ANNUAL REPORT OF THE NIS PROGRAM**

**(COVERING FISCAL YEARS 1952, 1953, AND 1954)**

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ANNUAL REPORT OF THE NIS PROGRAM

Fiscal Year 1954

1. This Report covers the sixth year of operations of the NIS Program and reviews its broad accomplishments to date. The annex to this report contains Part I - a summary of NIS operations for Fiscal Years 1952 and 1953 during which no annual reports were issued, and Part II - an analysis of NIS production for Fiscal Year 1954. The annex also includes Part III - an analysis of replies received from the NIS questionnaire which was formulated by the NIS Committee and sent to the principal NIS users by the member agencies.

Review of the NIS Program

2. The NIS Program has shown steady growth and progress during its six years of operations. It stands today as the largest and most comprehensive intelligence production program of this Government. It is firmly supported by the intelligence community which is increasingly relying upon the NIS to satisfy essential basic intelligence requirements. The availability of a large portion of the NIS on Indochina saved invaluable time and effort in developing the plans and estimates so vital in determining sound national decisions during the crisis in that area, as the NIS did to the extent of its coverage four years previously in the Korean War. Moreover, the working files in the intelligence agencies, which were greatly expanded under the stimulus of comprehensive NIS requirements, have provided integrated basic intelligence in depth to serve departmental and operational needs.

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3. The following are noteworthy production accomplishments of the NIS Program during its six years of operations: the production of more than 2200 NIS sections, representing 40% of the total world coverage principally on areas of high priority established by the JCS; the publication of NIS Gazetteers, comprising more than a million geographic names, on 72 foreign areas; and the establishment of an active maintenance program for the necessary revision of published NIS and Gazetteers.

4. But the published NIS, like the crest of an iceberg, represents only the visible portion of the great body of accomplishment which lies unseen to the view of the casual observer. The published NIS is the valuable end product of a complex operation. The published NIS renders the essential elements of basic intelligence available for immediate use to all who need to know. Back of these published documents are the extensive working files - the reservoirs of available basic knowledge

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The previous approach to field collection and file collation has been replaced by a logical and systematic development of the whole field which comprises basic intelligence. Gaps disclosed as a result of fulfilling NIS production requirements are immediately made known to the field collection activities and become the basis for direct collection effort. Files which had formerly been left untouched until a requirement was laid on are systematically collated and summarized under NIS maintenance.

5. In substance, the NIS Program acts across-the-board to guide and stimulate field collection and file collation without awaiting crash

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operations to set them in motion. Moreover, the allocations of production responsibilities develop a highly effective division of labor consonant with the specialized capabilities of the participating agencies. Duplication is minimized; existing capabilities in the Government are used and strengthened. Fundamental in the broad accomplishment of the NIS Program has been the drawing together of some 40 different government activities into a coordinated effort towards a common goal.

6. To determine by comprehensive survey how well the NIS is satisfying the essential basic intelligence requirements of this Government the NIS Committee in December 1953 formulated a questionnaire which was sent out by the member agencies to the principal users of the NIS. Some 350 replies to this questionnaire were received. These have been summarized in the annex to this annual report. Essentially, the scope and treatment of the NIS are considered well balanced and satisfactory by a substantial majority of users. Their most pressing requirement is a more rapid development of the program both in additional coverage and in the maintenance of published NIS. The replies to the questionnaire also reveal a need at the higher command, staff, and planning levels for a brief summary of each NIS area as a whole. This is being developed in NIS Chapter I, the first of which was recently published. From now on a progressively larger number of Chapters I will be produced as the related Chapters II to IX on NIS areas are completed.

Progress during Fiscal Year 1954

7. The NIS Program showed satisfactory progress during this past year in spite of serious dislocations in the contributing agencies caused

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by stringent economy measures. There were many staff realignments in the agencies resulting from reductions in force, with new personnel replacements needing time to familiarize themselves with NIS procedures and requirements. For instance, more than 40% of the NIS staff in State were replaced during this period; yet State and Air Force almost attained full production goals, while Navy exceeded its commitments by 30%. Total production for the year was 443 NIS Sections, representing 82% of scheduled commitments. However, many of the overdue Sections were well along towards completion, so that actual production represents substantial attainment of the JCS requirement of 8 equivalent NIS for the year.

8. The most serious production deficiencies of the year developed in the CIA and in various producing components of the Department of the Army. In the CIA, the Geographic Area

have realigned their capabilities to overcome production deficiencies. The Army has a difficult task confronting it in view of across-the-board personnel reductions and the fact that 70% of all sections overdue for the year was Army's responsibility. The Army coordinator has taken steps leading to the realignment of coordination and production capabilities within the Department of the Army. In response to a request from the Assistant Chief of Staff, G-2, the NIS Committee has acted to reassign Chapter VIII (Armed Forces) and Section 45 (Health and Sanitation) responsibilities to other agencies, and to cease production of Supplement III (Telecommunications) in view of a similar requirement being fulfilled by the Signal Corps Intelligence Studies. These actions should ameliorate Army's situation, but it appears doubtful that Army can

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fulfill its NIS commitments with its present staffs unless it rigorously adheres to a priority for NIS work that will assure stability of NIS staff components.

9. The critical bottleneck in the reviewing and publication work of the program, which has been developing over several years, is rapidly being overcome by means of more adequate NIS staffs, and by accelerated review of NIS contributions. At the beginning of fiscal year 1954 there had accumulated in the Basic Intelligence Division/CIA almost a year's backlog of contributions awaiting processing. By the end of the year NIS staffs were processing material on a reasonably current basis. However, this heavy flow of material has temporarily piled up in the special GPO printing plant. It is estimated that measures taken over the past several months will remove this printing backlog by mid year. A major problem in reducing review and editorial processing to reasonable time limits is the continuing qualitative inadequacies of NIS contributions. During the past year less than one-third of the contributions submitted to CIA fully satisfied NIS requirements.

10. New efforts in the refinement and development of the NIS during the year include the start of Chapter I (Brief) publication; the revisions of outline requirements for Chapter IX (Map and Chart Appraisal), Section 45 (Health and Sanitation), Section 38 (Telecommunications), and 62C (Petroleum);



11. The NIS Gazetteer program has shown steady progress for the year. Thirteen NIS Gazetteers, comprising nearly 300,000 geographic names, were

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produced during fiscal year 1954. In addition, the staff of the US Board on Geographic Names edited more than 400,000 geographic names appearing in NIS contributions. The NIS Gazetteers are finding wide use throughout the Government, necessitating reprinting of older gazetteers as reserve stocks were depleted throughout the year because of increasing requirements for them.

12. The NIS Committee met 21 times during the year. Its proceedings were characterized by solid accomplishment and a fine spirit of cooperation on the part of its members. With the appointment of a Colonel as Army member, the Committee now has senior representation from all agencies except the Air Force. The stature of agency representation is an important factor in maintaining NIS control and coordination at the proper administrative level, and in assuring the effectiveness of agency participation in the program. The control and coordinating staffs in each agency have generally carried out their principal responsibilities well. It is hoped that more effective coordination among the sub-contributors within the Defense agencies can be developed. This matter will be studied more fully during the coming year.

#### Major Problems

13. The full development of the NIS Program is a formidable task because of the comprehensive nature of basic intelligence and the [ ] scope of its coverage. Much has been accomplished in the six years of operation but much remains to be done. The major problem areas might be said to comprise:

- a. Organizational complexity
- b. Intelligence adequacy
- c. Inter-agency support

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14. Organizational complexity is an inherent characteristic of the NIS Program. Production responsibilities were allocated to existing agencies of the Government rather than attempting to centralize the task. There is no question that the allocation among the agencies in terms of dominant interests and capabilities is fundamental to a healthy intelligence community and, in the long run, provides better intelligence than would a centralized capability divorced from the exigencies and realities of command support. The acceptance of this method of production carries with it the inherent problem of organizational complexity. The maze that is government, particularly the US Government, leaves much to be desired in organizational efficiency. Gradually, however, the situation is improving through numerous working level meetings and the development of mutual understanding and community of interests. The NIS staff in CIA holds more than 70 such meetings every month - over 800 meetings a year - with the various coordinating staffs and analysts in the participating agencies. Likewise, the agency coordinators and staffs work closely with their own agency components and with those in other agencies, cutting through departmental barriers, and gradually improving the efficiency of the production complex.

15. Intelligence adequacy is the goal of all intelligence collection and production. That goal is still a long way off for basic intelligence. There are too many important gaps which remain unfilled. The analyses and evaluations of the information that is available too frequently fall short of professional standards. The field is so overburdened by collection requirements of all levels of intelligence that even clearly defined and readily available information must await last minute high priority requests.

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However, the maintenance program of the NIS offers good prospects for adequate intelligence development over the years. In the process of revising published NIS elements, gaps are filled by selective collection effort, qualitative inadequacies in published NIS are brought to the attention of analysts by the NIS staff, and comprehensive review procedures provide for the attainment of adequate intelligence standards.

16. Inter-agency support of the NIS Program must be reasonably consistent from year to year among the participating agencies to achieve a balanced production effort. The inter-agency allocations necessitate a nicety of production balance and timing so that subsection contributions may fit into complete sections which, in turn, make up the scheduled chapters and supplements. Disruptions in the production flow cause disproportionate setbacks throughout the entire production process. These disruptions are mainly caused by uneven fiscal support for NIS requirements and by the use of NIS capabilities for other purposes. Balanced fiscal support for the NIS Program can be obtained either by means of a centralized budget or a coordinated budget. The centralized budget of CIA now supports the non-defense agencies in the program, and provides adequately for their production responsibilities. The separate budget and appropriations of the Defense Agencies, however, result in uneven capabilities for NIS work from year to year.

17. A coordinated budget for the NIS Program would not involve any change in fiscal support, but would ensure that the Bureau of the Budget and the Congress are aware of the whole program to the end that NIS appropriations are related to production requirements of each agency and

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earmarked solely for NIS work. In a memorandum of 22 August 1950 to the Secretary of Defense, the Director of Central Intelligence summed up the problem in these words:

"If the vital basic intelligence requirements of the Government are to be met, continuous fiscal support and stability of personnel organization are imperative."

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